

I hope Activist Shareholders are celebrating

and also hope they made money on IUSA.

When I started the company in 1972 with borrowed \$100, my only goal was to make it profitable and pay off my \$8,000 in loan from an earlier failed venture due to the Longshoremen strike.

I had no idea that one day we would become immensely successful. We created 1,800 new jobs in Omaha, bought 45 companies across the globe; and helped millions of customers. Our revenue in 2008 reached over \$800 million and adjusted Ebitda reached over \$180 million.

During this time, my mission was to grow the company and create more high paying jobs in Omaha. My personal wealth was secondary to me – as I always believed that entrepreneurs work to build successful organizations and wealth just comes with it.

We went public in 1993 with revenue of \$44 million. But, being based in Omaha, it was a challenge to land large customers who happened to be on the East coast and West coast. Starting 1996, I launched a P.R. and networking initiative to give exposure to our

name by joining the power circles on both coasts. It took a tremendous amount of effort, time and money investment in being known to the movers and shakers of the technology and business elites, including the President of the United States. That strategy allowed us to sign up many multi million dollar large customers for our databases and services. Most people think large customers are signed up over the phone. No way. They require a lot of schmoozing, social networking, a lot of time on golf courses and other social events. This is how I built infoUSA to be an \$800 million company thru relationships and contacts at the highest level in public and private institutions.

During this time, I took a nominal salary and spent my own money on various occasions to help grow the business. I didn't even have an employment contract with the company, because I did not think that I needed one.

It all came to crash when I offered \$11.75 per share to take the company private. The stock had been hovering around \$9.00 per share and hardly reflecting the value, regardless of our performance. Our offer was rejected and I withdrew our offer – realizing it is not such a simple process.

Then we got hit by law suits from 2 activist shareholders as if they had better ideas. Their lawsuit in Delaware and subsequent involvement of other parties cost the company over \$50 million in legal bills alone and huge cost in shareholder value. A special committee of new and existing directors was formed who had no understanding of how the business was built. To them every flight on NetJets or every round of golf with a customer was waste and personal expense. It was like arguing with a bunch of idiots who had their own agenda of grabbing power and control of the company, which they did.

I thought it was better to resign and see if they could do a better job. New set of directors chose an existing director to be chairman and another incompetent director is named CEO of the company. I realized they had a plan to grab control of the company while being on the special committee.

Not withstanding the fact, this CEO had taken the last company he ran, into bankruptcy. The new CEO right away starts decorating his office (as if it was not a nice office to begin with) and spends over \$200,000 of shareholders money on unnecessary decorating of his office. Then he hires whole bunch of consultants as if they had a silver bullet. Fact is, none of those clowns

who were running the company had any understanding of the business and how to grow the sales. Meanwhile, sales started dropping significantly right away.

Adjusting for the divestiture of Macro, from 2008 to 2009, sales of the company dropped from \$588 million to \$498 million – a drop of \$90 million. CEO promptly blamed it on the economy. Meanwhile, board gave huge stock options, grants and big pay packages with change of control payments to the senior managers.

Incidentally, the entire board including the new board members had no stake in the company, because none of them bought any stock in the company with their own money. As a 40% stockholder, I was accused by the board of doing everything wrong. I had no choice but to start my public campaign that the company be sold to the highest bidder before the incompetent people destroy the company and also my net worth, which I had built over the last 38 years.

The new management came up with impressive budgets but missed their numbers every month. Budgets would be revised every month. I will jokingly call them revised-revised-revised budgets. Sales continued to decline even in 2010. Over 400 jobs have been destroyed in Omaha. The brand loyalty of the

company has suffered immensely and so have the profits and the market value of the company.

Finally, due to the vision of the new chairman, Roger Siboni, he saw the handwriting on the wall. He led the charge in selling the company because he knew the management was incompetent, and bringing new management, who can turn it around, will be even riskier. When the company was put up for sale, not too many buyers were seriously interested due to declining sales. Luckily, CCMP stepped up to the plate at \$8.00 per share. Not a great offer but adequate. It's better than the alternative of keeping the company running by incompetent management and destroy the company along with shareholder value.

As far as activist shareholders go, I hope they are happy. I hope they made money in infoUSA stock. If they didn't, it's their own fault. Their action was like "cut off your nose to spite your face".

Luckily they cannot take away my entrepreneurial ability. I and my team will start another new venture. My advice to future entrepreneurs is...

1. Stay private. Don't go public.

2. If you do, have a contract and get everything you have coming to you.
3. Don't think that employees and the board will be faithful to you. They have their own agenda.
4. Finally, look out for number one – You.

Over the years I had the good fortune of good education, hospitality of this wonderful country and the city of Omaha. This country allows every one to be successful, if they try. I am indebted to the United States for this opportunity. I am also blessed by 3 wonderful sons and a wonderful wife. As this chapter closes, we plan to start a new chapter and be even more successful in the future.